

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Evergy Missouri West, Inc.	)	
d/b/a Evergy Missouri West's Request for	)	
Authority to Implement a General Rate	)	File No. ER-2024-0189
Increase for Electric Service	)	

INITIAL BRIEF

COMES NOW the Midwest Energy Consumers Group (MECG), and for its Initial Brief, respectfully states:

Overview

The crux of this case is that Evergy wants the Commission revisit how the Crossroads transmission costs should be treated so it can pass these costs on to customers. The Commission should decline to do so in this case for two reasons. First, the Company's requested pre-determination of prudence is not supported by existing law. Second, even if permitted by law, the Company's request that these transmission costs should be recoverable from ratepayers is not sufficiently supported by facts in this case. It is uncertain that Evergy's request is the best outcome for customers.

The fact remains that ever since the Crossroads plant was included in rates, Evergy's customers have paid the Company a return "of" and a return "on" that plant. Linked with this permitted recovery, the Commission determined that the Company should be fully responsible for the recovery of transmission expenses to deliver Crossroads generation to the EMW service territory.¹ This plant has remaining life and value to customers and so until Evergy can demonstrate otherwise, it is reasonable to keep the status quo that Evergy's customers should

¹ Ex. 505, p. 12.

benefit from its operations and availability just as they would be able to do if Evergy had built or bought a plant in Missouri rather than in Mississippi.

The stipulation previously filed in this docket provided an opportunity for Evergy and stakeholders to explore a possible resolution to the Crossroads transmission situation by studying what it would cost to move the plant into the SPP footprint thus enabling Evergy to avoid incurring the excessive transmission costs. That study did not lead to parties reaching an agreement on the path forward, but this does not mean Evergy should now be entitled to recover all previously disallowed transmission costs from customers. MCEG reiterates it remains willing to discuss possible transmission expense recovery with Evergy and stakeholders.² Importantly, there is time for the Commission and parties to further consider the issue. Evergy's Mr. VandeVelde testified that the existing transmission reservation agreement gives the Company the right to extend so long as it elects to do so 12 months prior to February 2029.

The Company's requested pre-determination of prudence is not supported by existing law

Evergy's pre-filed testimony and position statement ask for the Commission to "determine it is prudent for Evergy to renew its firm point-to-point transmission service agreement ("TSA") with Entergy Services, Inc. ("Entergy") [.]"³ The Company further asserted it will not willingly renew the transmission contract unless the transmission expense is determined to be prudent and recoverable by ratepayers.⁴

The Commission does not issue advisory opinions.⁵ Likewise the Commission cannot bind the ratemaking authority of future Commissions.⁶ Here, Evergy's desired outcome combines a

² Ex. 505 at p. 13.

³ EMW Statement of Positions, p. 1.

⁴ EMW Statement of Positions, p. 9.

⁵ See *State ex rel. Laclede Gas Co. v. Pub. Serv. Comm'n of State of Missouri*, 392 S.W.3d 24, 38 (Mo. App., W.D. 2012).

⁶ Section 393.150 discusses the Commission's power to fix rates.

request for an advisory opinion about prudence with an attempt to bind future Commissions on rate recovery. The Commission must reject these requests.

The Company's request that these transmission costs should be recoverable from ratepayers is not sufficiently supported by facts in this case.

While the testimony in this case indicates that keeping the Crossroads facility in its current location is likely the least cost option compared to the alternatives presented there remain unknown material facts that should be explored further. To begin with, the testimony at the hearing made clear this issue presented to the Commission was not well crafted by the parties. First, Evergy's witnesses testified there is not a particular contract or negotiation to be done with Entergy Corp.

Evergy's Mr. Gunn explained:

... originally it was a transmission agreement with Entergy that would have the costs. But when Entergy entered into MISO, that contract was transformed to the MISO tariff, so now all of the -- all of the terms and everything that's surrounding that and what it -- what it takes into account and what those costs are, are now governed by the FERC-approved MISO tariff.⁷

Second, Mr. Gunn went on to say:

...today there's not a negotiation with Entergy, there's not a negotiation with MISO. The --It's formulaic based upon the FERC-approved MISO tariff. So all the -- all the terms, all of -- all of everything that governs that transmission path is done through the MISO tariff.⁸

Third, Mr. VandeVelde testified that the current transmission reservation agreement gives Evergy the right to extend so long as it elects to do so 12 months prior to February 2029.⁹ He also described that the term of extension is a variable. Fourth, Mr. VandeVelde testified that he did not know what the transmission point-to-point rate would be in 2029.¹⁰ When asked to provide some understanding of what these transmission costs might be in the future, Mr. VandeVelde added that

⁷ Tr. Vol. 9 at pp. 58-59.

⁸ Tr. Vol. 9 at p. 61.

⁹ Tr. Vol. 9 at p. 95.

¹⁰ Tr. Vol. 9, p. 90, lines 17-20.

Evergy would know these cost figures “when the bill from MISO shows up, just like we do today.”¹¹ We also do not know what the escalation to those charges may be.¹²

These unknowns make it unreasonable for the Commission (or any party) to decide Evergy’s approach is a prudent course of action, even if the law permitted that pre-approval. MECG’s witness Mr. Meyer summarized on the stand that additional information is critical because:

... there is a situation where, depending on the escalation of the -- of the transmission cost, that you could actually flip the scenario where building with the offset that Mr. Ives didn't guarantee but suggested this morning from the sale of Crossroads, that that option could flip and, you know, within five to ten years or so making that option more beneficial for customers.

MECG asserts there is time to further evaluate and that the scenarios presented by Evergy are insufficient to determine the most beneficial and appropriate path forward for the Company and its customers.

Conclusion

The Commission should not issue a blank check for transmission costs – especially when prior Commissions have evaluated and concluded that including these costs in rates “does not support safe and adequate service at just and reasonable rates.”¹³ Given the extensive background and prior decisions by Evergy management leading to the present Crossroads plant value and treatment of transmission costs it is unreasonable for the Company to seek pre-approval and ask

¹¹ Tr. Vol. 9, p. 90, lines 21-23.

¹² Tr. Vol. 9, p. 129. Mr. Meyer discussing the lack of critical information.

¹³ Ex. 505 at p. 6 citing to the Commission’s Report and Order in Case No. ER-2012-0175 at pages 57-59.

ratepayers to bear 100% of those costs in any scenario. For these reasons, MECG asks the Commission to reject Everygy's requests in this case.

WHEREFORE, MECG submits its Initial Brief.

Respectfully,

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 25th day of November 2025.

/s/ Tim Opitz
